Supreme Court, U.S.
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(1)

No. 06-

IN THE

Supreme Court of the United States

MICROSOFT CORPORATION,

Petitioner,

v.

CARLOS ARMANDO AMADO,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

Whether it is proper to enter a judgment of patent infringement where the jury has been instructed to ignore an express limitation of the patent claim.

Whether the Federal Circuit, contrary to the precedent of this Court, improperly ignored express claim language calling for the software of the claimed machine invention to be "in execution" when it concluded that the claim to the patented machine does not require actual operation of the machine.

PARTIES TO THE PROCEEDING

Petitioner is Microsoft Corporation, a Washington corporation. Respondent is Carlos Armando Amado, of Guatemala.

STATEMENT PURSUANT TO RULE 29.6

Petitioner Microsoft Corporation does not have any parent corporations nor is there any publicly held company that owns more than 10% of its stock.

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PETITION FOR WRIT OF CERTIORARI

Petitioner Microsoft Corporation respectfully petitions for a writ of certiorari to review the decision of the Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The order of the Federal Circuit can be found at *Carlos Armando Amado v. Microsoft Corp.*, Nos. 05-1531, 05-1581, 2006 WL 1681067 (Fed. Cir. June 14, 2006), and is reprinted in Petitioner's Appendix at 1a. The order denying panel rehearing *en banc* is reprinted in Petitioner's Appendix at 10a.

JURISDICTION

The judgment of the Federal Circuit was entered June 14, 2006, and the order denying panel rehearing and rehearing *en banc* was entered on August 2, 2006. The jurisdiction of this Court is invoked pursuant to 28 U.S.C. §1254(1).

STATUTORY PROVISIONS INVOLVED

35 U.S.C. § 112, ¶ 2 of the patent laws of the United States provides as follows regarding U.S. patent applications:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

STATEMENT OF THE CASE

Plaintiff Carlos Armando Amado ("Amado") filed a complaint on March 7, 2003, alleging that Petitioner Microsoft Corporation ("Microsoft") had infringed three of his patents, U.S. Patent No. 5,293,615 ("the '615 patent"), U.S. Patent No. 5,537,590 ("the '590 patent"), and U.S. Patent No. 5,701,400 ("the '400 patent"). During pretrial proceedings, Amado's allegations relating to the '590 and '400 patents were dismissed with prejudice, leaving only the allegations concerning the '615 patent to be tried to the jury.

The '615 patent is directed to a user interface between a database file stored in the memory of a computer in a database software program and a separate spreadsheet program in execution on the computer. The disclosed computer programs produce a specialized window on the computer screen for a user to review database records from the database file. Suppl. App. at SA-37. ('615 Patent at 23:3-12). The invention permits a user to scroll through this window, select a database record from the window, and transfer that record to the spreadsheet program, where calculations or other operations will be automatically performed on that record. Suppl. App. At SA-32, SA-37, SA-201. ('615 patent at 14:25-31, 23:3-12, 351:3-352:44). The recalculated record is then returned to the specialized window.

Claim 21 of the '615 patent, the only patent claim at issue, calls for several software modules to be "in execution" and to cooperate together on a computer apparatus:

> 21. An apparatus for carrying out spreadsheet calculations using data imported from a database via a point and shoot user interface to select a database record for loading into a specified range of the spreadsheet, comprising:
>
> a computer having a display and a memory having one or more storage locations;
>
> a spreadsheet program, having a spreadsheet data format, ***in execution*** on said computer . . . and wherein said spreadsheet program includes a recalculation routine. . . ;
>
> a database file stored in said memory . . . ;
>
> first means ***in execution*** on said computer for controlling said computer so as to display on said display one or more of said records of said database file within a window ***while said spreadsheet program is in execution***;
>
> second means ***in execution*** on said computer and coupled to said recalculation routine and to said database file and to said first means . . .

Suppl. App. at SA-201 (emphasis added). ('615 patent at 351:3-352:16).

Infringement and invalidity were tried to a jury in the United States District Court for the Central District of California from May 17, 2006 through June 6, 2006. Notwithstanding the express claim language requiring that the "spreadsheet program" and "first" and "second means" be "in execution" on the computer, the district court concluded that the jury should be instructed to ignore the

"in execution" claim language in assessing the infringement:

> [T]he Court does not find that reading the "in execution" language as a limit on infringement is proper. . . . Accordingly, the jury will be instructed . . . that the installation of the accused software on a computer is sufficient to satisfy the computer element of the [asserted patent] claim. . . . ***[The jury will be] instructed that the accused software need not ever be executed on the computer in order to satisfy the claims of the '615 patent.***

App. at 6a-7a (emphasis added). (Trial Transcript, Monday, May 23, 2005 at 59:16-60:3)

The court reached this conclusion despite the fact that prior to trial, without objection by any party, the court had construed the term "in execution on said computer for controlling said computer" to mean "the performance of a program by a computer so that the appropriate algorithm as implemented in code directs the computer to perform the functions." Suppl. App. at SA-203. ('615 Patent Claim Terms Construction at 2) (emphasis added). Also without objection, the district court had construed the term "in execution on said computer" to mean "directing a computer using any code which implements the algorithms which carry out the defined functions." Suppl. App. at SA-204. ('615 Patent Claim Terms Construction at 3) (emphasis added). Under this construction, the "in execution" claim language therefore required actual operation of an accused system - *i.e.*, the performance of the defined functions by the computer - before infringement could be found.

The court was persuaded to change its construction by Amado's arguments that apparatus claims, *i.e.*, patent claims directed to the statutory category of a machine, could not require actual operation of the machine, particularly where they involved some type of software component. App. at 4a-7a. (Tr. Transcript, Jury Instruction Hearing, May 23, 2006, at 57:14-60:3) Accordingly, at the close of trial, and over Microsoft's objection, the jury was provided the following instruction:

> If you find that the accused software is installed on a computer, then you may find that the computer element of the '615 patent is satisfied at the time the software is installed. ***It is not necessary*** that the software be in operation, or ***that the functions actually be performed***, for you to find infringement.

App. at 8a-9a. (Trial Transcript, May 31, 2005, at 26:6-11) (emphasis added).

The jury found that only one claim of the '615 patent, claim 21, was infringed by Microsoft. Microsoft appealed the verdict to the Federal Circuit. On June 14, 2006, the Federal Circuit affirmed the verdict in all respects in a summary order. Microsoft filed a Petition for Rehearing En Banc on June 27, 2006, which was denied by the Federal Circuit on August 2, 2006.

REASONS FOR GRANTING THE PETITION

Prior to trial, without any objection by any party, the district court construed the "in execution" claim language to require that the functions recited in the claims actually be performed by the claimed machine. That

construction was not appealed to the Federal Circuit. There is, therefore, no dispute about the meaning of that claim language - it requires that the recited functions actually be performed by an accused machine for infringement to be found. Yet, the district court instructed the jury that the claimed functions need not be performed by an accused machine for infringement to be found: "***It is not necessary*** that the software be in operation, or ***that the functions actually be performed***, for you to find infringement." Moreover, the court precluded Microsoft from invoking the court's undisputed construction of the "in execution" language to argue to the contrary. App. at 7a (emphasis added) (*See* Tr. Transcript, Jury Instruction Hearing, May 23, 2006, at 66:20-67:8).

As demonstrated below, the court's conclusion that active claim language, such as the "in execution" language here, cannot properly be "a limit on infringement" of a machine claim finds no support in the law. The lower courts' blatant disregard for express claim language does violence to the statutory scheme enacted by Congress, to over 100 years of this Court's precedent, and to the legitimate expectations of the public that the claims of a patent define the scope of the protected invention. The Court should take this opportunity to remedy this transgression, and to confirm once again the primacy of claim language in the patent system.

I. THE COURT SHOULD REASSERT THE BEDROCK PRINCIPLE OF PATENT LAW THAT COURTS CANNOT VITIATE CLAIM LANGUAGE OR OTHERWISE REWRITE THE CLAIMS.

Section 112, paragraph 2 of Title 35 requires that every patent specification include at least one claim that distinctly points out what the applicant regards as his invention:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

35 U.S.C. § 112, ¶ 2.

A foundational principle of this Court's patent jurisprudence for over one hundred years has been the principle that "the courts have no right to enlarge a patent beyond the scope of its claim as allowed by the Patent Office." *Keystone Bridge Co. v. Phoenix Iron Co.*, 95 U.S. 274, 278 (1877). As this Court famously noted, patent claims are not "a nose of wax, which may be turned and twisted in any direction . . . so as to make it include something more than, or something different from, what its words express." *White v. Dunbar*, 119 U.S. 47, 51-52 (1886).

Rather, as this Court has explained, the claim is a statutory requirement instituted for the purpose of explicitly defining what the protected invention is:

> The claim is a statutory requirement, prescribed for the very purpose of making the patentee define precisely what his

> invention is; and it is unjust to the public, as well as an evasion of the law, to construe it in a manner different from the plain import of its terms.

Id. at 52.

The Federal Circuit and its predecessors have in the past adhered closely to this bedrock principle. *See, e.g.*, *Autogiro Co. of Am. v. United States*, 384 F.2d 391, 396 (Ct. Cl. 1967) ("Courts can neither broaden nor narrow the claims to give the patentee something different than what he has set forth."). These courts recognized the possibility that lower courts might broaden or narrow claims while interpreting them, and expressly forbade such interpretations. "No matter how great the temptations of fairness or policy making, courts do not rework claims. They only interpret them." *Id.* Such rewriting of claim language by the courts, the Federal Circuit once recognized, would threaten the entire statutory and regulatory structure that governs the patent system. *See Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1576 (Fed. Cir. 1987) ("A disregard of patent claim limitations . . . would render claim examination in the [Patent and Trademark Office] meaningless.").

In this case, the district court, affirmed by the Federal Circuit, failed to adhere to this long-standing precedent. The asserted claim calls for a "first means in execution on [a] computer," a "spreadsheet program in execution," and a "second means in execution on said computer." And that very "in execution" language was construed by the district court to require performance of the recited functions. Yet, the district court then read the "in execution" limitation out of the claims, and acknowledged on the record that it was doing so:

> [T]he Court does not find that reading the "in execution" language as a limit on infringement is proper. . . . Accordingly, the jury will be instructed . . . that the installation of the accused software on a computer is sufficient to satisfy the computer element of the [asserted patent] claim. . . . [The jury will be] instructed that the accused software need not ever be executed on the computer in order to satisfy the claims of the '615 patent.

App. at 6a-7a. (Trial Transcript, Monday, May 23, 2005 at 59:16-60:3).

The district court's actions, and the Federal Circuit's approval of them, run afoul of this Court's foundational precedents, and of Congress's express command that the claims of the patent define the protected invention.

Granting *certiorari* in this case will permit the Court to reassert the primacy of the claims and to confirm the fundamental tenet of patent law that express claim limitations cannot be ignored in the infringement analysis.

II. THIS COURT SHOULD CLARIFY THE EMERGING CONFUSION SURROUNDING ACTIVE CLAIM LANGUAGE IN MACHINE CLAIMS TO ENSURE THAT SUCH LANGUAGE IS GIVEN EFFECT.

Under Section 101 of Title 35, "any new and useful process, machine, manufacture or composition of matter, or any new and useful improvement thereof" is eligible for

patent protection. 35 U.S.C. § 101. Inventions that include software components have been held to be eligible for patent protection under Section 101 at least since *Diamond v. Diehr*, 450 U.S. 175 (1981). Machines in operation are not excluded from patent eligibility - a machine that is in actual operation, that is active, is still a machine. There is therefore no reason why a patentee may not claim an invention as a machine in operation. And there is likewise no reason why, when a patentee does so, the claim language providing for operation should not be given effect.

Over the last several years, the Federal Circuit has addressed machine claims that include active claim language - that is, claim language that requires some type of activity or operation - on several occasions. In each of those cases, the question was whether literal infringement of such claims required a machine performing the recited activity, or whether such claims can be infringed by machines that are merely *capable* of performing the recited activity, without any showing that the recited activity ever occurred. The answer to this question can have drastic consequences, affecting not only who is a direct infringer and when direct infringement occurs, but also who contributes to or induces infringement, what the proper measure of damages is and what post-judgment activity, if any, should be enjoined. In the computer arts, where general purpose computers running modern software are capable of performing a great many functions even their creators never dreamed of, the issue is of critical significance.

In two recent decisions, two panels of the Federal Circuit squarely addressed this issue. In both cases, the Federal Circuit properly gave effect to active claim language. This approach completely differs from the resolution the panel reached in the present case. By

granting *certiorari*, this Court can resolve this inconsistency and the resulting confusion about the proper analysis of active claim language in claims to a machine invention.

In *Cross Medical Products, Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293 (Fed. Cir. 2005), the claim at issue recited a "fixation device" relating to an orthopedic surgical implant. The claimed device included various structures and also included language requiring that a lower bone interface be "operatively joined" to a bone. *Id.* at 1299. The Federal Circuit held that sale of a device including all the recited structures and *capable* of being "operatively joined" to a bone, *but not so joined*, was not direct infringement. The court held that the limitation was absent in the accused device until it was "operatively joined" to bone during surgery, activity not performed by the defendant manufacturer. *Id.* at 1305-06. Thus, in *Cross Medical*, the court gave effect to the active claim language - despite its presence in a claim to a "device" - and held that the claim was not directly infringed until the recited activity (operatively joining) actually occurred. *See also Innova/Pure Water, Inc. v. Safari Water Filtration Sys., Inc.*, 381 F.3d 1111, 1118 (Fed. Cir. 2004) (upholding a district court's construction of the term "operatively connected" as "requir[ing] the . . . linking together of the tube or cap . . .").

The Federal Circuit likewise gave effect to claim language requiring activity in *IPXL Holdings, LLC v. Amazon.com, Inc.*, 430 F.3d 1377, 1383-84 (Fed. Cir. 2005), where the asserted claim was directed to a "system" including an "input means." The claim also included language requiring that "the user uses the input means." *Id.* at 1384. The Federal Circuit held the claim invalid as indefinite, in violation of 35 U.S.C. § 112, ¶ 2, because the "use" language made it unclear whether the claim recited a

system or a method of operating the system. *Id.* Thus, in *IPXL*, the court gave effect to active language in a claim to a system, even though that resulted in the invalidity of the claim.

The district court's instruction and the Federal Circuit's affirmance in this case are wholly at odds with *Cross Medical*, *IPXL*, and the statutory scheme enacted by Congress. In this case, the district court simply instructed the jury not to give any effect to the "in execution" claim language. That language had been interpreted to require actual performance of the claimed functions, yet the jury instruction given by the district court stated that the jury need not find actual performance of the claimed functions to find infringement. And, indeed, Microsoft was precluded from arguing the import of the claim interpretation to the jury. App. at 7a (*See* Tr. Transcript, Jury Instruction Hearing, May 23, 2006, at 66:20-67:8). The "in execution" claim language was therefore given no effect whatsoever; it was treated as if was not part of the claim the Patent Office allowed.

The court issued its instruction because it did "not find that reading the 'in execution' language as a limit on infringement is proper." In doing so, the court was persuaded by arguments that rested on *Fantasy Sports Props., Inc. v. Sportsline.com, Inc.*, 287 F.3d 1108 (Fed. Cir. 2002). In *Fantasy Sports*, however, the system claims at issue recited no active language. Rather, they were drafted in so-called "means-plus-function" format, pursuant to 35 U.S.C. § 112, ¶ 6. And while it is well settled that means-plus-function claim language covers merely the structures disclosed in the specification that perform the recited functions, and equivalents thereof, *see* 35 U.S.C. § 112, ¶ 6; *Personalized Media Commc'n, LLC v. Int'l Trade Comm'n*, 161 F.3d 696, 703 (Fed. Cir. 1998), the means-plus-function aspects of the claim language are not at issue

here - what is at issue is the active claim language requiring various claim elements to be "in execution" and cooperating together. Thus, the district court turned the statutory command that means-plus-function claim elements cover only structure into a rule of law that active claim language in a machine claim need not and should not be given any effect. App. at 6a. (Tr. Transcript, Jury Instruction Hearing, May 23, 2006, at 59:16-25). That was a critical legal error, and led the court to ignore express claim language in violation of this Court's settled precedent.

Moreover, whatever may be the merits of the respective outcomes in *Cross Medical* and *IPXL*, in each of those cases the words of the claim were given some effect, recognizing the primacy of claim language in the statutory scheme. Here, the lower court did otherwise, based on its conclusion that patent claims directed to the statutory category of a "machine" (such as an "apparatus", a "device" or a "system") can never require actual operation and are not "a limit on infringement"; that is, that claims to a machine in operation will not be recognized as such.

This conclusion, endorsed by the Federal Circuit's affirmance, flies in the face of numerous decisions of this Court. It treats express claim language as being of no effect, thereby changing the scope of the patent's coverage, rendering the claim language mere surplusage, undermining the basis on which the patent was examined and issued by the Patent and Trademark Office, and destroying the vital public notice function of patent claims. This Court should grant review to confirm that claim language must be given effect and that the rules of claim construction are the same for computer-related inventions as they are for all other forms of invention within the scope of Section 101.

CONCLUSION

For the reasons stated above, Petitioner Microsoft Corporation asks that this Court grant its petition for a writ of certiorari to review the decision of the Court of Appeals for the Federal Circuit in this matter.

Respectfully submitted,

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APPENDIX

APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DECIDED JUNE 14, 2006

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

05-1531, -1581

CARLOS ARMANDO AMADO,

Plaintiff-Cross Appellant,

v.

MICROSOFT CORPORATION,

Defendant-Appellant.

DECIDED: June 14, 2006

Before SCHALL, LINN, and DYK, *Circuit Judges.*

PER CURIAM.

We have considered the various contentions of the appeal and cross-appeal, and we *affirm* in all respects. However, in affirming, we wish to make clear that we do not read the district court's August 2, 2005, order—requiring the creation of an escrow account as a condition of the stay of the permanent injunction—as having determined the ultimate disposition of the funds required to be deposited in the escrow account. When the district court makes that determination, any party believing itself aggrieved by that order may appeal to this court.

No costs.

APPENDIX B — AMENDED JUDGMENT OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA DATED AND FILED AUGUST 2, 2005 AND ENTERED AUGUST 3, 2005

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

CASE NO. SA CV 03-242 DOC (ANx)

CARLOS ARMANDO AMADO,

Plaintiff,

v.

MICROSOFT CORPORATION,

Defendant.

AMENDED JUDGMENT

This action came before the Court for a trial by jury, which rendered its verdict on June 6, 2005, and completed a Special Verdict Form, and a Supplemental Special Verdict Form, IT IS ORDERED AND ADJUDGED that:

On Plaintiff's complaint for infringement of U.S. Patent No. 5,293,615, judgment of infringement both literally and under the Doctrine of Equivalents of Claim 21 is entered in favor of Plaintiff Carlos Armando Amado and against Defendant Microsoft Corporation with respect to Defendant's products Access 95 and Excel 95, the group or "suite" of products called Office Professional 95, which includes both

Access 95 and Excel 95; and later versions of those Access, Excel, and Office Professional products, including 1997, 2000, 2002 (XP), and 2003. Infringement of Claim 21 was found against Microsoft for direct infringement (35 U.S.C. § 271(a)), inducing infringement (35 U.S.C. § 271(b)), contributory infringement (35 U.S.C. § 271(c)), and infringement for shipping components outside the United States (35 U.S.C. §§ 271(f)(1) and 271(f)(2)). The infringement was not found to be willful. Claim 21 of the patent was not found to be invalid. The Court has found laches, and thus Plaintiff cannot collect damages for infringement before March 7, 2003. The Court finds that Defendant must pay pre-judgment interest at the rate of 10% per annum. Plaintiff is thus awarded a total for damages through June 6, 2005, including pre-judgment interest, of $5,911,269, which consists of $2,902,433 for sales in the United States and $3,008,836 for foreign sales, and costs to be taxed by the clerk. Further, pursuant to the specific details set forth in section IV(C) of the Order Finding Laches and Ruling on Post-Judgment Motions issued on the same day as this Amended Judgment, the Court has also issued a permanent injunction and stay in this case.

IT IS SO ORDERED.

DATED: August 2, 2005

s/ David O. Carter
DAVID O. CARTER
United States District Judge

APPENDIX C — EXCERPTS OF TRANSCRIPT OF PROCEEDINGS DATED MAY 23, 2005

UNITED STATES OF AMERICA
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

THE HONORABLE DAVID O. CARTER,
JUDGE PRESIDING

NO. SA-CV-03-242-DOC(ANx)

JURY INSTRUCTION HEARING

CARLOS ARMANDO AMADO,

Plaintiff,

vs.

MICROSOFT CORPORATION,

Defendant.

EXCERPTS OF TRANSCRIPT OF PROCEEDINGS
Monday, May 23, 2005

[commencing at page 57]

* * *

THE COURT: I've tried to closely examine the cases before me on this issue, particularly FANTASY SPORTS,

287 F.3rd 1108, Federal Circuit 2002. And that case cannot be read for the proposition that when a computer limitation is recited as part of a software claim that there can be literal infringement with no computer involved.

The FANTASY SPORTS court did not make this assertion. Indeed, in footnote number 3 of the case, the Court reiterates the importance of the limitation. Unfortunately, the facts of the case are very murky, particularly with regards to which computer the software was running on, whether on a server on the Internet, a local [58] user's computer, or both.

This Court has examined the district court's opinion and the appellate briefs and found no answer to this question.

Accordingly, at least subject to additional arguments, the Court is unwilling to assume that the software was indeed not installed on a computer. Thus, as Microsoft argues, the accused products in this case cannot infringe the '615 patent without a computer.

On the issue of whether in "on execution" language in the patent can be read to require that the accused products must be installed on a computer and used in specifically the method alleged to infringe the '615 patent, Amado has argued that this is an apparatus claim using means-plus-function language and thus necessarily describing the subject of the patent in use without requiring that it actually be in use.

Microsoft argues that this active language, particularly the words "in execution," limit the claim to one solely on an apparatus in operation.

Appendix C

Again, here, FANTASY SPORTS provides some guidance. In discussing the nature of software patents and means-plus-function language, the Court noted, quote:

> "Although a user must activate the functions programmed into a piece of [59] software by selecting those options, the user is only activating means that are already present in the underlying software."

And once again, FANTASY SPORTS is cited at 287 F.3rd at 1118.

Here, Microsoft's theory would require that the software not only be in operation but also be controlled by the user to undertake the alleged infringing acts. The Court is cognizant of Microsoft's vigorous argument that, quote:

> "A disregard of claims limitations would render claims examination in the P.T.O. meaningless."

In citing PANDUIT CORPORATION at 810 F.2nd 1561 at 1576, Federal Circuit 1987.

At the same time, the Court does not find that reading the "in execution" language as a limit on infringement is proper. Further, the Court does not find that such a reading is inconsistent with the claims construction given by this Court including that for the "in execution" language.

Accordingly, the jury will be instructed, tentatively, that the installation of the accused software on a computer is sufficient to satisfy the computer element of the '615 claim.

Appendix C

[60] They will further be instructed that the accused software need not ever be executed on the computer to satisfy the claims of the '615 patent.

* * *

[66] * * *

THE COURT: I'm trying to put this Court in a box, in a sense, so that it's just a pure ruling. That is the most ethical thing I can do for both parties is to make that hard call now, and therefore you have the best of the both worlds.

By preclusion, you have a pure record, if I've [67] ruled incorrectly, for the circuit. At the same time, you are not damaging your case any further in front of the jury if I was going to make this decision at the end of your case.

* * * *

APPENDIX D — EXCERPT OF TRANSCRIPT OF PROCEEDINGS DATED MAY 31, 2005

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

THE HONORABLE DAVID O. CARTER,
JUDGE PRESIDING

NO. SACV 03-0242-DOC(ANx)
Day 9 – Volume 2

CARLOS ARMANDO AMADO,

Plaintiff,

vs.

MICROSOFT CORPORATION,
a Washington Corporation,

Defendant.

EXCERPT OF TRANSCRIPT OF PROCEEDINGS
Santa Ana, California
Tuesday, May 31, 2005

[commencing at page 26]

THE COURT: If you find that the accused software is installed on a computer, then you may find that the computer element of the '615 patent is satisfied at the time the software

is installed. It is not necessary that the software be in operation, or that the functions actually be performed for you to find infringement.

* * * *

APPENDIX E — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DENYING PETITION FOR REHEARING FILED AUGUST 2, 2006

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

05-1531, -1581

CARLOS ARMANDO AMADO,

Plaintiff-Cross Appellant,

v.

MICROSOFT CORPORATION,

Defendant-Appellant.

ORDER

A petition for rehearing en banc having been filed by the Appellant, and the matter having first been referred as a petition for rehearing to the panel that heard the appeal, and thereafter the petition for rehearing en banc having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, DENIED and it is further

Appendix E

ORDERED that the petition for rehearing en banc be, and the same hereby is, DENIED. The mandate of the court will issue on August 9, 2006.

Circuit Judge Gajarsa did not participate in the vote.

FOR THE COURT,

s/ Jan Horbaly
Jan Horbaly
Clerk

Dated: 08/02/2006

APPENDIX F — EXCERPT OF TRANSCRIPT OF PROCEEDINGS DATED MAY 19, 2005

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

THE HON. DAVID O. CARTER, JUDGE PRESIDING

No. SA CV 03-242-DOC (ANx)

CARLOS ARMANDO AMADO,

PLAINTIFF,

vs.

MICROSOFT CORPORATION,
a Washington corporation,

DEFENDANT,

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Jury Trial Day 3 - Volume I

SANTA ANA, California

Thursday, May 19, 2005

[Commencing at page 30]

* * *

THE WITNESS: Richard Taylor, T-a-y-l-o-r.

THE COURT: Thank you. Would you either move closer to the microphone or move the microphone closer to you.

Appendix F

We're going to distribute to the jury at this time a claims chart; is that correct; Counsel?

MR. BELUSKO: Yes it is, Your Honor.

THE COURT: This will become self-explanatory in a few moments. I would suggest you not try to read it and memorize it right now, but it will be clear through both of the parties' [31] direct and cross-examination and a number of witnesses what that claim chart is all about.

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